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## CENTRAL INTELLIGENCE AGENCY





OSD review completed

## THE SITUATION IN VIETNAM

NSA review completed

Information as of 1600 18 October 1966

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#### HIGHLIGHTS

Ground action in South Vietnam remains light again today but VC terrorists were active in both Quang Tri city and Saigon.

- I. The Military Situation in South Vietnam: Allied military activity remains light with small actions reported in Quang Tri Province (Paras. 1-3). A Viet Cong terrorist grenade wounded five American officers at a bus stop in Saigon this morning (Para. 4).
- II. Political Developments in South Vietnam: The unrest between the southern civilians and the northern militarists in the government aggravated by Ky's scheduled departure for the Manila conference (Paras. 1-3). During the month of August, slight gains were made in the pacification effort (Paras. 4-6).

V. Communist Political Developments: DRV officials discuss necessity for US to "prove" sincerity of its peace overtures (Paras. 1-3).

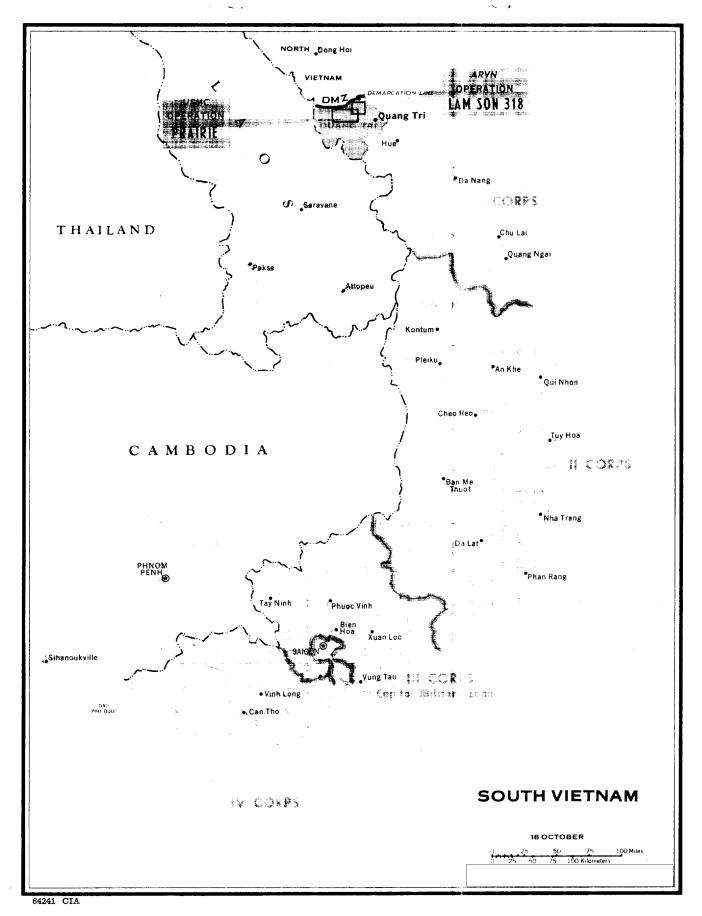
VI. Other Major Aspects: First small Soviet oil tanker from Vladivostok expected to arrive in Haiphong on 25 October (Para. 1).

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### I. THE MILITARY SITUATION IN SOUTH VIETNAM

- 1. Allied military activity in South Vietnam remains at a low level with little or no contact with Communist forces reported by the 29 battalionsize or larger operations currently in progress.
- 2. In northernmost Quang Tri Province, US Marines in Operation PRAIRIE reported several scattered skirmishes with North Vietnamese Army soldiers. South Vietnamese troops participating in Operation LAM SON 318 encountered an enemy force just south of the Demilitarized Zone and a subsequent air strike resulted in 20 Communist soldiers killed.
- 3. A Communist terrorist threw an explosive charge into a crowded movie theater in Quang Tricity yesterday. Six South Vietnamese soldiers and civilians were killed and more than 50 were wounded.
- 4. Communist terrorists continued their campaign against American targets in Saigon for the second consecutive day. A Viet Cong guerrilla on a motorbike tossed a grenade at a bus stop on the outskirts of the city, wounding five American officers, none seriously. The attacker escaped.

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#### POLITICAL DEVELOPMENTS IN SOUTH VIETNAM

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3. Although the original southern complaint against Loan for abuse of power was strong, it now appears that the southerners are attempting to capitalize on the publicity surrounding this incident for their own future political ends. The southern ministers have no real power to apply against Ky without appealing to southern military officers, and although the original charge is reasonable, similar charges of abuse of power on the part of southern Generals Co and Quang are also reasonable.

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## Revolutionary Development Cadres Appraised

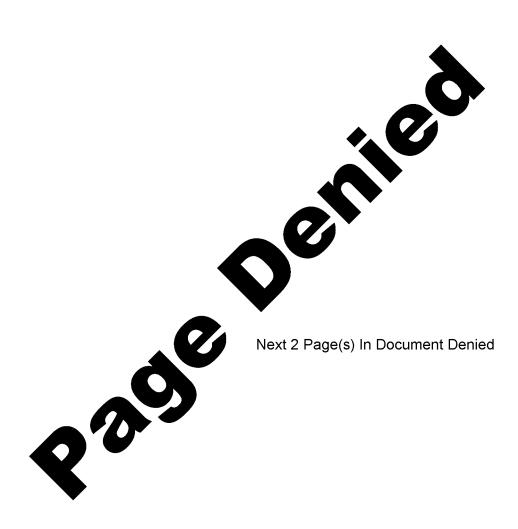
- Progress reports dealing with the first class of Revolutionary Development Cadres (RDC) graduated from the Vung Tau Training Center after three months of field experience indicate that their over-all performance has been good in 26 of the 43 provinces. In a majority of the provinces where the program has been lagging and ineffective, the principal causes are attributed to poor RDC leadership at the staff and operational level, and to province officials who are either inexperienced or disinterested in the program. It appears that US advisers must continue to provide active support and guidance until such time as the Vietnamese staffs become capable and responsive to the objectives of the RDC program.
- The government has taken several steps to solve problems currently associated with the The most effective action, to date, appears to be the display of interest in the local programs by the minister of Revolutionary Development, Major General Nguyen Duc Thang, who has conducted a series of conferences in each of the four corps areas. Corps commanders have made speeches at the regional conferences stressing the greater importance of the revolutionary development effort compared to purely military operations, and the necessity of the Vietnamese taking charge of this program for themselves. The attitudes of these senior military commanders toward what is essentially a civilian program is most promising. Additional conferences of province officials and provincial group leaders are scheduled to be held at Vung Tau sometime this month,

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Progress in the Revolutionary Development Program  6. A country-wide increase of 67 secured hamlets, 0.4 percent secured population, and 0.1 percent secured area was recorded during August. The government now controls 4,155 secured hamlets and 55 percent of the population, and holds 11.5 percent of the land. Net progress was noted in 26 of the 43 provinces and two of the autonomous cities, while nine provinces and one autonomous city reported no change in the security situation. Overall regression occurred in eight provinces (Quang Tri, Kontum, Pleiku, Ninh Thuan, Phu Yen, Quang Duc, Kien Phong, and Kien Giang). In the eight provinces where regression occurred, eight hamlets were downgraded to undergoing securing, three to undergoing clearing, and 24 reverted to Viet Cong	
control.	25X1
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## V. COMMUNIST POLITICAL DEVELOPMENTS

1. In recent weeks North Vietnamese officials appear to have been making a special effort to spell out in detail the "deeds" that the US must do in Vietnam to prove the sincerity of its peace overtures. Both the first secretary of the North Vietnamese delegation in Phnom Penh and the North Vietnamese consul general in New Delhi,

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steps: stop the bombing, stop increasing US troop strength in South Vietnam, and "recognize" the Front. The DRV official in Phnom Penh added that if the US would do these things and in addition agree to let the Vietnamese people decide their affairs by themselves, then negotiations would not "depend" on a prior withdrawal of American troops. In a speech on 24 September, Premier Pham Van Dong said the US could demonstrate its good faith by stopping the bombings and recognizing the Front as "their interlocutor to solve all questions on Vietnam."

2. Such formulations, which spell out specific preconditions and at the same time stop short of listing all the elements of the original four- and five-point proposals of the DRV and the Front, may be intended primarily to give a greater appearance of reasonableness and flexibility to the North Viet-namese position on negotiations.

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the DRV's Eastern European allies have repeatedly urged the Vietnamese to make some adjustments in their public attitude toward negotiations in an effort to avoid alienating the sympathies of smaller neutral nations. In addition, at this particular time, the Communists face renewed international interest in a peaceful settlement in UN circles and in the Manila Conference.

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#### VI. OTHER MAJOR ASPECTS

l. Hanoi apparently expects the arrival of a bulk shipment of petroleum in Haiphong on 25 October-the first such arrival since 19 September. The shipment appears to be the first under the new arrangement to supply petroleum to North Vietnam from Vladivostok in small tankers carrying about 4,000 tons. Bulk shipments of petroleum had been originating from the Black Sea in tankers carrying from 10,000 to 11,000 tons. The tanker may be the Amursk, which is due in Vladivostok on 13 October to load about 4,000 tons of "export cargo" for an unspecified destination. The Amursk was subsequently located in the Sea of Japan on 16 October, six to ten days out of Haiphong.

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